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Weekly Summary

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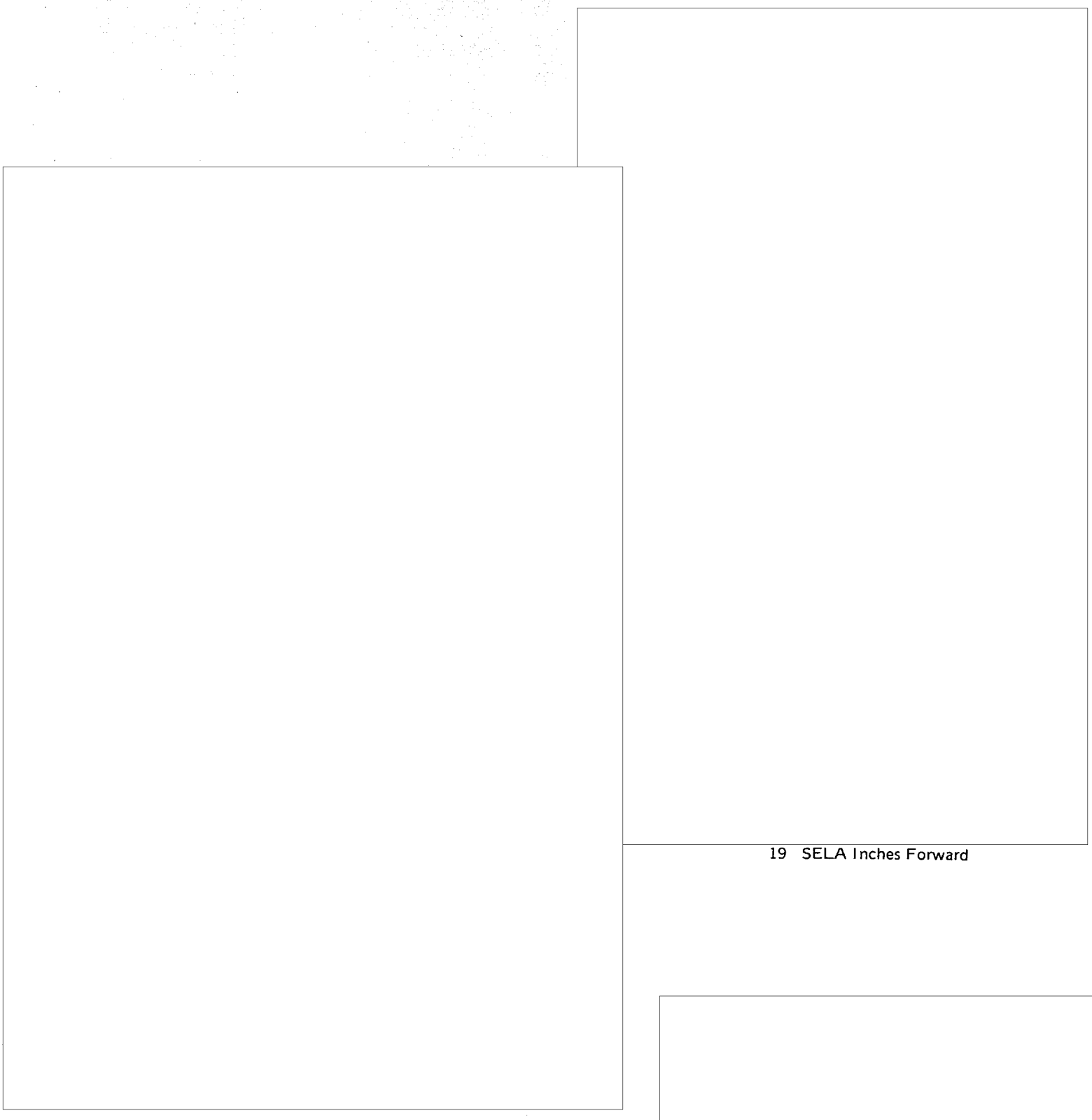

19 SELA Inches Forward

SELA INCHES FORWARD

The Latin American Economic System (SELA) remains a disembodied spirit following the conference in Panama, where advocates had hoped to establish this new Latin/Caribbean association. A second try at creation is scheduled for October 15. Venezuela, Mexico, and Panama, the leading proponents of a broad new hemispheric organization excluding the US, will probably lobby intensively for a more fruitful second session.

Both the promoters and the demurrers feel that they achieved something at Panama. The originators of the notion take pride in having attracted delegates from 25 governments—all the invitees but the Bahamas and Surinam. Moreover, they wrung a unanimous resolution out of the conference favoring the establishment of SELA despite grave reservations on the part of many countries.

The opponents of SELA came reluctant but resigned to the need to maintain public solidarity, and found solace in having forced a delay while a working group drafts a more specific definition of the organization's goals and structure. The fundamental concern of those opposed is that SELA's principal goal is precisely what the would-be founders insist that it is not: to put pressure on the US.

Critics of SELA also managed to raise the many practical problems that Venezuela and Mexico have tried to ignore. The vague principles proposed for SELA take no account of the many political and economic differences that divide the countries of the area, and they fail to clarify the relationship with the various economic pacts and federations already in existence. The small countries are voicing their concern over prospects of being dominated by the much larger economies of such countries as Brazil and Mexico. Also, the SELA documents do not address the question of who would bear the burden of granting special treatment for the least developed areas.

One potential point of controversy never developed. The SELA meeting provided a kind of debut for Cuba in the Latin/Caribbean brotherhood, following the recent lifting of the OAS sanctions against Havana. Continuing Cuba's role as behind-the-scenes sponsor of SELA, Cuba's delegation worked unobtrusively and evidently took pains not to give offense. The Cubans will be elated at the founding of an all-Latin system, but clearly do not intend to trumpet SELA as an anti-US victory, at least for the time being.

SELA's promoters will have to take some note of the concerns that have been raised, but probably count more on the momentum of the swing toward solidarity in getting the union established. Whether SELA ever really promotes economic development is most likely of relatively little importance to Mexico and Venezuela. They would take satisfaction in producing a paper organization that leaves out the US and that serves as another platform from which they can plead the case for a "new world order" more beneficial to their own interests.